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United Arab Emirates

Sanitary/Phytosanitary/Food Safety

GCC Countries Add EU Suppliers to Beef Ban List Due To BSE 2000

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Report Highlights:

Because of the spread of BSE across Western Europe, Bahrain, Oman, Qatar and the UAE have recently added France and Portugal and in some cases, Ireland and Switzerland, to the list of banned beef product suppliers. German beef is likely to be banned next.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Dubai [TC1], TC

Following is the status of bans on imports of beef and beef products from European countries due to the BSE problem, in the five Gulf countries covered by ATO-Dubai (GCC-5) and their trade impact:

A. Bahrain

| | |
|----------------|-------------------------|
| United Kingdom | since June 1999 |
| Denmark | since June 1999 |
| France | since November 12, 2000 |

Bahrain is currently considering banning beef imports from Germany because of the recent detection of BSE cases there. Bahrain health officials reported that the country will consider banning beef imports from any country where BSE cases are detected.

Trade impact: Practically nil on frozen and fresh beef imports which amounted to about 4,500 metric tons in 1998, the latest year for which official trade statistics are published. India and Ireland account for most of Bahrain's total imports in this category. Imports from the above three countries amounted to less than 100 tons. However, Denmark and the United Kingdom account for about 25 percent of Bahrain's import of processed meat products, including sausages and canned meat products. Bahrain imported about 1,000 metric tons of these products in 1998. The United States is a leading supplier to Bahrain in this category and could benefit from the above ban.

B. Kuwait

| | |
|----------------|------------|
| United Kingdom | since 1999 |
|----------------|------------|

Kuwait health authorities seem to be hesitant in imposing instant bans on beef imports from countries where BSE is detected. This may be due to the multiplicity of agencies involved in decision making in such matters.

Trade impact: Practically nil. The United Kingdom is not a supplier of fresh or frozen beef to this country. Kuwait imported about 11,000 metric tons of frozen and chilled beef in 1998. India, Ireland and Australia were the principal suppliers, while France, the Netherlands, Egypt and the United States were lesser suppliers. Kuwait imported about 4,500 metric tons of processed meat products, such as sausages, hamburgers, canned meats, etc. Saudi Arabia, the United Arab Emirates and the United States are principal suppliers in this category, while France and Denmark are lesser suppliers.

D. Sultanate of Oman

| | |
|----------------|---------------|
| United Kingdom | |
| France | November 2000 |
| Ireland | " |
| Portugal | " |

Switzerland "

Reliable Omani importers stated that Germany will be the next for the BSE ban list.

Trade impact: The only affected country in this situation is Ireland which is the second largest beef supplier to Oman after India which is, by far, the largest beef supplier to the Sultanate with 37 percent market share. It is difficult to determine the exact Irish beef supplies to Oman since they are all channeled through the UAE. Oman trade statistics show UAE beef exports to Oman in 1999 totaled nearly 3,300 mt, which includes Irish as well as other suppliers' beef including the U.S. The United Kingdom has been out of this market for long time. We expect limited positive impact on U.S. beef exports to Oman, while Australia will be the principal beneficiary of the current BSE scare.

E. Qatar

| | |
|----------------|---------------------|
| United Kingdom | Since 1999 |
| France | Since November 2000 |
| Portugal | Since November 2000 |

Trade impact: Practically nil. India, Australia, Sudan and Germany are the principal suppliers of frozen and fresh beef imports of Qatar, which amounted to about 3,000 metric tons in 1998. Imports from the United Kingdom were negligible in 1998 and none from France or Portugal.

G. United Arab Emirates

| | |
|-----------------|---------------------|
| United Kingdom: | Since 1989 |
| France | Since November 2000 |
| Switzerland | " |
| Portugal | " |

Health officials are closely monitoring the situation in Belgium, Ireland and Germany. A possible ban is expected when the country's technical committee meets in the very near future. Similar to Oman, India and Ireland are the principal beef suppliers to the UAE, with 80 and 7 percent market share, respectively. Actually, Irish beef is channeled to other Gulf states, such as Oman, through the UAE. Irish beef exports to the UAE will certainly be hurt even if health officials decide not to ban it since it is used for the production of burgers, mince meats and franks for distribution to other Gulf states who will refuse to accept these products if the ingredient was Irish beef. French, Germany and Swiss beef exports to the UAE are limited to a few hundred metric tons as stated in UAE official trade statistics for 1998.

Trade impact: Limited on U.S. beef exports since U.S. beef is much more expensive than all others for its high quality. Australia will be the principal beneficiary of this situation.